

## The Benefits Package



## The Rising Tides

Forces of change in the healthcare industry can be calmed by outsourced workforce solutions.

By Susan Salka

The bottom line for the healthcare industry is not the same as other industries. For our industry, the bottom line is always patient care. And that's why healthcare often is a late adopter of new technology, new organizational modeling, and new business practices. When something new comes along that boosts cost-effectiveness and profitability, other industries might readily adopt while healthcare hangs back, first weighing the complex variables that impact the safety and care of patients. So it's not surprising that the healthcare industry has moved cautiously in outsourcing workforce solutions.

Today, though, a seismic shift is hitting healthcare. Rapid changes are a response to healthcare reform, clinician shortages, burgeoning numbers of seniors who need more healthcare, ever-stricter quality mandates, an electronic health records revolution, pressure to restrict costs, new and ever-more-sophisticated treatments and devices, and a general escalation in the complexity of achieving excellence in patient care. Each one of these areas of change comes with its own set of workforce challenges.

In this era of historic transformation, healthcare systems must maintain their focus on patient care, so they are naturally seeking help for workforce challenges. Partnerships with workforce solutions experts provide valuable support so hospitals and other medical facilities can concentrate on patient care. The evolution of AMN Healthcare over the last two decades has helped lead change in the industry as we developed workforce solutions to match the transformation of healthcare staffing needs.

When I started with the company 23 years ago, we were a single-service, single-product company—we provided travel nurses to hospitals across the country. There were only a handful of companies that did what we did at the time. Throughout the 1990s, as the industry was growing, we grew to be the largest travel nurse company through organic growth and acquisitions. We were able to bring value to our clients by moving nurses around when and where they were needed the most, while always ensuring quality.

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Then, in the mid 2000s, we began to hear loud and clear from our clients that they wanted more from us. It was great that we were the leader in supplying nurses, but now they had shortages and labor needs in all types of clinical areas. They were looking not only for nurses but physicians and allied professionals, too. Back then, you were either a nurse staffing company or a physician staffing company or an allied staffing company; nobody did it all. We were the first organization to make that step, and we did it through acquisition. In 2005, we acquired Merritt Hawkins, Staff Care, and MedTravelers. This gave us the nation's largest physician staffing and permanent placement capacity. It was a major step in our strategy to become a holistic partner with our clients by providing them a broad and deep spectrum of staffing services. Lo and behold, our competitors tried to follow suit, as so often happens when you've got a great idea.

The next major evolution in our industry and our company came during the last five years with the emergence of Management Services Programs (MSP) and Recruitment Process Outsourcing (RPO). We started to see more openness and desire from our

clients to streamline their contracting processes and outsource their entire supplemental staffing to one company.

MSP had been going on in corporate America for some time, with larger companies creating master service vendor programs and working with one major partner to outsource all temporary supplemental needs. These types of MSP relationships enable clients to develop better analytics, control labor spending and improve the consistency and quality of temporary staff. Healthcare providers became convinced that MSP partnerships could work for their industry, too.

They also began to see the benefits of outsourcing permanent placement of healthcare staff, from surgeons to technicians, to one dedicated team with national recruitment expertise and clinical experience. Providers began entering RPO partnerships to handle time-sensitive hiring and project-based growth, including for any clinical specialty. Instead of healthcare systems undertaking the complex processes of recruiting, screening, credentialing and on-boarding for clinical specialties, the RPO service handles all of it. For healthcare administrators and managers struggling to cope with change in the healthcare reform era, that can be of great help.

Healthcare providers were previously resistant to such outsourcing. But when AMN started to see an attitude change, we put a stake in the ground, deciding that we were going to be the leader in providing outsourced workforce solutions, starting with MSP and RPO.

In 2008, AMN started offering MSP and RPO services. While we were making good progress, we continued to see even greater appetite from our clients for these services. So when we had the opportunity to acquire the largest provider of managed services, Medfinders, we did that in 2010.

This was a critical move and defining moment for AMN, because we significantly differentiated ourselves from other healthcare staffing organizations with respect to our experience and execution in providing workforce solutions. This move gave

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us the largest network of high-quality clinicians in the nation. Most importantly, it provided us an opportunity to better align with our clients' workforce needs, enabling providers to successfully reduce complexity, increase efficiency and improve patient outcomes within the rapidly evolving healthcare environment.

Today, AMN Healthcare provides a set of very strong workforce solution services, backed up by the largest healthcare staffing and recruitment capabilities in the country. We've taken our relationships with clients to a whole new level and have been rewarded with industry-leading growth and market share gains in many of our divisions. Favorable macro trends lie before us. We are now in an era of growing clinician shortages along with rising demand for services due to an aging patient population and healthcare reform, which will provide medical coverage for an additional 32 million Americans. Rapid change will increasingly persuade healthcare systems to look for expert partners to outsource critical functions. Since healthcare is at its heart a people industry, developing effective workforce solutions will continue to be an area of very active outsourcing.

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